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A-181

CONFIDENTIAL

TO : Department of State

RECEIVED
DEPARTMENT OF STATE

DEC 8 8 38 AM 1971

RS/AN

December 1, 1971

FROM : Amembassy TRIPOLI

ANALYSIS BRANCH

SUBJECT : Oil Companies' Challenge to Libyan Foreign Exchange Ruling

REF : Tripoli 2196

Enclosed is the text of the Libyan Ministry of Petroleum's November 29 letter to Occidental Petroleum requesting increased payments for the third quarter and threatening administrative attachment and a revocation of the concession agreements should the company disregard the letter.

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY C/ DATE 6/18/81

RDS ☐ or XDS ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☐

DECLASSIFIED ☒ RELEASABLE ☒

RELEASE DENIED ☐

Transmitted from MinPet letter to

Occidental, 29 November 1971

(UNCLASSIFIED)

CONFIDENTIAL

FOR DEPT. USE ONLY

☐ In ☐ Out

FORM 4-82 DS-323

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Enclosure to A-181

(Translation)

Libyan Arab Republic
Ministry of Petroleum
P. O. Box 256, Tripoli

Date: 12 Shawwal 1391
Corresponding to 29 Nov 1971

Manager of Occidental

Dear Sir:

Reference is made to the circular letter of File WN/2, Registration SH/288, dated 6 Shaban 1391 corresponding to September 26, 1971, regarding payment due by the companies as of the month of September 1971 and the future payments and the requirements that the US Dollar rate of exchange acceptable to the Ministry of Petroleum for the determination of the share of the Government of the Libyan Arab Republic in the oil revenues must be 2.80 (Two Dollars and Eighty American Cents) for the Libyan Dinar. Whereas your company did not make the payment owed thereby as of the month of September 1971 on the basis specified in our said circular letter and whereas such payment does not constitute a discharge of the company obligation and consequently the company is obliged to pay the difference owed thereby the amount of which is LD 498,170 (Four Hundred Ninety Eight Thousand and One Hundred Seventy Libyan Dinars). Therefore, we hereby advise you of the necessity of paying the aforesaid amount. It should be noted that upon your payment of this amount the Ministry will disregard any action taken by the company to deduct this amount from the payments due to the Government in the future. In the event that the company does not comply with the requirements we made in this letter we will take all of the legal actions to satisfy the Government rights including administrative attachment and revocation of the concession agreements granted to your company in accordance with the provisions of Clause 27 of said concession agreements which give to the Government the right to revoke the concession agreements in case of delay on the part of the company in discharging the tax obligations due therefrom.

Very truly yours,

cc: Undersecretary
Director General of
Companies Accounting Department

/s/ Izzedin Mabrouk
Minister of Petroleum

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